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Arizona Corporation Commission

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AZ CORP COMMISSION
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Monday July 9th, 2012

Gary Pierce, Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Chairman Pierce:

Opower supports the timely approval of Tucson Electric Power's Proposed Updated Modified Implementation Plan (bridge plan) in Docket No. E-01933A-11-0055. We furthermore find that Staff's "Alternative 2" would diminish energy efficiency business development in the state and place at risk substantial future bill payer savings in Arizona.

Opower is a residential behavior-based energy efficiency and smart grid software company working with over 70 utilities in 24 states, including Arizona. This year, Opower will deliver personalized behavior-based energy efficiency insights to more than 10 million residential customers through paper mail, email, websites, smart phones, and text messages. Opower's program consistently motivates customers to save an average of 1.5-3% on their energy bills.¹

TEP's bridge plan includes a Home Energy Reports program administered by Opower that will save bill payers 16 GWh - translating to an estimated \$1.5 Million or roughly \$60 saved per household in 2012 and 2013. In addition, the Opower program has proven in several markets to markedly increase customer participation in other utility efficiency programs, resulting in greater overall portfolio cost-effectiveness and faster market transformation.

Last October, 25,000 households in TEP's service territory began receiving Home Energy Reports. If TEP's bridge plan is not approved, or if Staff's Alternative 2 is adopted, these households will be deprived of the information they need to continue to save over the remaining 15 months of the program. These are tough economic times facing Arizonans and all Americans. It would not be prudent for the Commission to deny customers insights they need to save money on their energy bills.

Respectfully,
Jeff Lyng
Director of Market Development, Opower

¹These savings have been verified over 600,000 households by Professor Hunt Allcott (MIT), September 2011. "Social norms and energy conservation." *Journal of Public Economics*.



ORIGINAL and thirteen (13) copies
of the foregoing filed this 9th day of July, 2012 with:

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

COPY of the foregoing HAND-DELIVERED/
this 9th day of July 2012 to:

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Sandra D. Kennedy, Commissioner
Paul Newman, Commissioner
Brenda Burns, Commissioner
Steve Olea, Utilities Division
Charles Hains, Hearing Division
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COPY of the following mailed/served electronically
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